

**Iowa Department of Natural Resources  
Environmental Protection Commission**

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**ITEM**

**12**

**DECISION**

**TOPIC**

**Notice of Intended Action: Chapters 22 and 23, Air Quality Program Rules  
- Updates, Revisions, and Additions**

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The Department is requesting permission from the Commission to proceed with the rulemaking process and publish a Notice of Intended Action to amend Chapter 22 “Controlling Pollution,” and Chapter 23 “Emission Standards for Contaminants,” of the 567 Iowa Administrative Code.

The primary purpose of the proposed rule changes is to adopt into the state air quality rules several federal regulations that were finalized over the last year. The proposed rule changes also include one clarification to the state air quality rules for construction permit exemptions.

This Notice of Intended Action was presented to the Commission last month in an information item. The few changes and additions from last month's information item are noted with an asterisk below.

This rulemaking provides the following updates, revisions, and additions:

- Item 1 amends the requirements for a new or reconstructed major source of hazardous air pollutants to obtain a construction permit. The change updates the date for a federal rule citation. Although the U.S. Environmental Protection Agency (EPA) did not change the federal definition of "major source" referred to in this rule, EPA did amend the cited federal regulation to add other definitions.\*
- Item 2 amends Chapter 22 to clarify the construction permit exemption for laundry activities. This amendment will specify that exempted laundry activities include only washers and dryers located at a stationary source that are used to clean and dry on-site clothing, bedding, and other fabric items with water solutions of bleach or detergents.
- Item 3 amends Chapter 22 to adopt EPA's new, preferred guideline air dispersion model, AERMOD. The model replaces the current, preferred model, ISC3. Since EPA did not require states to fully implement AERMOD until one year from federal promulgation, the rule change will not become effective until November 9, 2006. During the transition period, the Department will accept modeling conducted with either ISC3 or AERMOD. The Department will also form a stakeholder workgroup to provide recommendations to the Department for updating its Air Dispersion Modeling Guidelines.

- Item 4 amends the Title V program definitions in Chapter 22 to add the federal definition of "area source." This term refers to nonmajor sources of hazardous air pollutants (HAPs).
- Item 5 amends the Title V program definitions to delete the chemical "methyl ethyl ketone" from the list of air pollutants. EPA recently removed this chemical from the list of HAPs.
- Item 6 amends Chapter 22 to better organize the rules that specify which sources are required to obtain Title V Operating Permits. The Department did not make any substantive changes to these requirements.
- Item 7 amends Chapter 22 to add clarity to the requirements for nonmajor (area) sources to obtain a Title V Operating Permit. The Department did not make any substantive changes to these requirements.
- Item 8 amends Chapter 22 to remove the provisions for Title V exempt sources that elect to apply for a Title V Operating Permit. This change reflects EPA's removal of these provisions from federal rules.
- Item 9 amends the Title V program rules to list sources that are now permanently exempt from the requirement to obtain a Title V Operating Permit. EPA recently finalized permanent exemptions for five categories of nonmajor (area) sources. These sources are: dry cleaners, halogenated solvent degreasers, chrome electroplaters, ethylene oxide sterilizers and secondary aluminum smelters. In 2002, EPA permanently exempted nonmajor publicly owned treatment works. The Department is adding this source category to the list of exemptions. Additionally, these changes will make the list of source category exemptions more consistent with federal regulations.
- Item 10 amends the Title V program rules to update a rule cross reference so that it is consistent with amendments made in Item 5.\*
- Item 11 amends Chapter 23 to adopt recent federal amendments to the new source performance standards (commonly known as NSPS). EPA amended the NSPS for steel plants to add alternative requirements for monitoring emissions from furnace exhausts. EPA also amended the NSPS regulations for combustion turbines, for boilers used in electrical generating units, and for boilers in industrial, commercial, and institutional settings. These amendments made a number of significant changes to emission limits for particulate matter, sulfur dioxide and nitrogen oxides for these source categories.\*
- Item 12 amends Chapter 23 to adopt a new NSPS. EPA recently finalized the NSPS for Other Solid Waste Incineration (OSWI) units. This amendment adopts the standards for "new" OSWI. The Department is not aware of any facilities potentially subject to these standards.

EPA also finalized emission guidelines for "existing" OSWI. The Department is not proposing rules to adopt the emissions guidelines for existing OSWI at this time. The Department will first determine if there are any facilities that are potentially subject to the federal emission guidelines. If necessary, the Department will propose rules for existing OSWI at a later date.

- Item 13 amends Chapter 23 to adopt recent federal changes to the national emission standards for hazardous air pollutants for source categories (commonly known as NESHAPs). The substantive changes include the following:
  - Removal of methyl ethyl ketone from the list of hazardous air pollutants;
  - Exemption of certain area source categories from the requirement to obtain a Title V Operating Permit;
  - Retention of the health-based compliance alternatives contained in final rules for Industrial, Commercial and Institutional Boilers and Process Heaters;
  - Amendments to the rules for new and existing Refractory Products Manufacturing facilities to clarify the testing, monitoring, start-up and shutdown requirements for batch processes\*; and
  - Amendments to the rules for Plywood and Composite Wood Products to retain and clarify the low-risk demonstration requirements and to make other technical changes. The amendments also revised the compliance deadline for the final rule to one year later than originally promulgated.\*
- Item 14 adopts federal changes to the NESHAP for hazardous waste combustors to add hazardous waste solid fuel boilers, hazardous waste liquid fuel boilers, and hazardous waste hydrochloric acid production furnaces to the list of subject sources. The Department is not aware of any facilities subject to this NESHAP.

\*Notes a change from what was presented to the Commission for information in February.

If the Commission approves this Notice of Intended Action, a public hearing will be held on Friday, May 12, 2006, at 1 p.m. at the Department's Air Quality Bureau offices. The public comment period for the proposed rules will close on May 16, 2006.

An administrative rule fiscal impact statement is attached.

Christine Paulson  
Environmental Specialist Senior  
Program Development Section, Air Quality Bureau  
Memo date: February 28, 2006

## **ENVIRONMENTAL PROTECTION COMMISSION [567]**

### **Notice of Intended Action**

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 22, "Controlling Pollution," and Chapter 23, "Emission Standards for Contaminants," Iowa Administrative Code.

The purpose of the proposed rule changes is to adopt into the state air quality rules several federal regulations that were finalized over the last year. The proposed rule changes also include one clarification to state air quality rules for construction permit exemptions.

Item 1 amends paragraph 22.1(1)"b", which are the requirements for a new or reconstructed major source of hazardous air pollutants to obtain a construction permit. A reference to the Code of Federal Regulations (CFR) is updated to reflect the most current amendment date for the applicable part. On April 22, 2004, EPA amended 40 CFR 63.2 to add definitions for "pollution prevention" and "source at a Performance Track member facility." EPA did not change the federal definition of "major source" contained in 40 CFR 63.2, and cited in 22.1(1)"b".

Item 2 amends subparagraph 22.1(2)"x"(5) to clarify that this exemption from construction permitting includes only laundry activities located at a stationary source that use washers and dryers to clean or dry clothing, bedding, and other fabric items used on site with water solutions of bleach or detergents.

Item 3 amends subrule 22.4(1) to reflect the U.S. Environmental Protection Agency's (EPA's) November 9, 2005, amendments to 40 CFR Part 51, Appendix W, Guideline on Air Quality Models. The most substantive change in this amendment was EPA's promulgation of American Meteorological Society/Environmental Protection Agency Regulatory Model

(AERMOD) as the preferred guideline model. AERMOD replaces the Industrial Source Complex (ISC3) model. Since EPA did not require states to fully implement AERMOD until one year from federal promulgation, the rule change will not become effective until November 9, 2006. During the transition period, the Department will accept modeling conducted with either ISC3 or AERMOD.

Item 4 amends 567—22.100(455B) to add the definition of "area source" to the Title V program definitions. This term refers to nonmajor sources of hazardous air pollutants. This definition of "area source" is consistent with the federal definitions contained in Section 112 of the Clean Air Act and in 40 CFR 63.2.

Item 5 amends rule 567—22.100(455B) to delete the chemical "methyl ethyl ketone" from the list of air pollutants listed under the "hazardous air pollutant" definition in the Title V program rules. On December 19, 2005, EPA removed methyl ethyl ketone from the list of hazardous air pollutants contained in section 112 of the Clean Air Act. The federal amendments were promulgated in 40 CFR Parts 63, 70 and 71.

Item 6 amends subrule 22.101(1) to better organize the rules that specify which sources are required to obtain Title V Operating Permits. The Department did not make any substantive changes to this subrule.

Items 7 rescinds subrule 22.101(2) and adopts a new subrule to add clarity to the requirements for nonmajor (area) sources to obtain a Title V Operating Permit. The Department did not make substantive changes to the requirements.

Item 8 rescinds subrule 22.101(3) to remove the provisions for Title V exempt sources that elect to apply for a Title V Operating Permit. On December 19, 2005, EPA deleted these provisions from 40 CFR 70.3(b)(3).

Item 9 rescinds rule 567—22.102(455B) and adopts a new rule to list source categories are exempt from the requirement to obtain a Title V Operating Permit. On December 19, 2005, EPA promulgated amendments to 40 CFR Part 63 and 70 to permanently exempt five categories of nonmajor (area) sources that are subject to national emissions standards for hazardous air pollutants (NESHAP). The five area source categories that are now exempt from the requirements to obtain a Title V Operating Permit are dry cleaners, halogenated solvent degreasers, chrome electroplaters, ethylene oxide sterilizers, and secondary aluminum smelters. On October 21, 2002, EPA exempted from Title V the area sources that are subject to the NESHAP for publicly owned treatment works (40 CFR Part 63, Subpart VVV). The new rule includes this source category in the list of exemptions. Additionally, this new rule will add clarity to the state's Title V rules, and will make provisions for source category exemptions more consistent with 40 CFR 70.3.

Item 10 amends subrule 22.105(2) to update a cross reference so that it is consistent with the amendments specified in Item 5.

Item 11 amends the introductory paragraph of subrule 23.1(2) for new source performance standards (commonly known as NSPS) to reflect the recent federal amendments to 40 CFR Part 60. EPA made a number of minor, technical and administrative changes to the federal NSPS regulations. In addition, EPA amended the standards for steel plants (Subparts AA and AAa) on February 22, 2005, to add alternative requirements for monitoring emissions from furnace exhausts and to make minor editorial corrections.

EPA also amended the NSPS regulations in 40 CFR Part 60 for combustion turbines, for boilers used in electrical generating units, and for boilers in industrial, commercial, and institutional settings. With respect to boilers, EPA amended the emission limits for sulfur

dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM) for electric utility boilers (Subpart Da), the SO<sub>2</sub> and PM emission limits for industrial-commercial-institutional (ICI) boilers (Subpart Db) and the SO<sub>2</sub> and PM emission limits for small ICI boilers (Subpart Dc). ICI boilers burning low sulfur fuel can demonstrate compliance by certifying the fuels burned. With respect to combustion turbines, EPA amended the standards for NO<sub>x</sub> to allow the turbine owner or operator the choice of a concentration-based or output-based emission standard. The NO<sub>x</sub> limits differ based on the fuel input at peak load, fuel type, combustion turbine application, and location of the combustion turbine. The emissions standard for SO<sub>2</sub> is the same for all turbines, regardless of size or fuel type.

Item 12 amends subrule 23.1(2) to adopt a new NSPS. On December 16, 2005, EPA finalized standards for Other Solid Waste Incineration (OSWI) units. This amendment adopts the standards for "new" OSWI, for which construction is commenced after December 9, 2004, or for which modification or reconstruction is commenced on or after June 16, 2006 (Part 60, Subpart EEEE). The Department is not aware of any current or proposed facilities that would be potentially subject to the NSPS for "new" OSWI.

On December 16, 2005, EPA also finalized emission guidelines for "existing" OSWI, for which construction commenced on or before December 9, 2004 (Part 60, Subpart FFFF). The Department is not proposing rules to adopt emission guidelines for existing OSWI at this time. The Department will first determine if there are any facilities potentially subject to the federal emission guidelines. If necessary, the Department will propose rules for existing OSWI at a later date.

Item 13 amends the introductory paragraph of subrule 23.1(4), which are the emission standards for hazardous air pollutants for source categories (commonly known as NESHAPs) to

reflect recent amendments to 40 CFR Part 63. From January 2005 through February 2006, EPA made numerous, minor changes to 40 CFR Part 63, which included both technical and administrative updates and corrections.

The substantive changes to 40 CFR Part 63 include the following:

- EPA amended Subpart C to delete methyl ethyl ketone from the list of hazardous air pollutants.
- EPA amended Subparts M (Dry Cleaning Facilities), N (Chromium Electroplating), O (Ethylene Oxide Sterilizers), T (Halogenated Solvent Cleaning) and RRR (Secondary Aluminum Production) to specify that area sources subject to these subparts are not required to obtain a Title V Operating Permit.
- EPA amended the standards for Industrial, Commercial and Institutional Boilers and Process Heaters (Subpart DDDDD). EPA issued the amendments concurrently with a final response to petitions for reconsideration on the final rule. EPA elected to retain the health-based compliance alternatives to the final rule. EPA did make a limited number of amendments to clarify the process for demonstrating eligibility to comply with the health-based compliance alternatives contained in the final rule.
- EPA amended the standards for Refractory Products Manufacturing (Subpart SSSSS) for new and existing sources to clarify the testing, monitoring, start-up and shutdown requirements for batch processes, to make certain technical corrections, and to add recent changes to be consistent with the NESHAP General Provisions.



- EPA amended the standards for Plywood and Composite Wood Products (Subpart DDDD). EPA issued the amendments to Subpart A (General Conditions), Subpart DDDD and Appendix B to Subpart DDDD (Methodology and Criteria for Demonstrating that an Affected Source is Part of a Low-Risk Subcategory of Plywood and Composite Wood Products) concurrently with a final response to petitions for reconsideration on the final rule. EPA amended all three of these sections to allow use of a new test method for measuring hazardous air pollutants. Further, EPA elected to retain and clarify the low-risk subcategory and low-risk demonstration (LRD) requirements contained in Appendix B, while making a number of amendments to clarify these requirements. In Subpart DDDD, EPA made further clarifications, including amending several of the definitions. The amendments to Subpart DDDD also revise the compliance deadline for the final rule to one year later than originally promulgated.

Item 14 amends paragraph 23.1(4)"be", the NESHAP for hazardous waste combustors, to reflect changes to the federal standards. On October 12, 2005, EPA promulgated amendments to 40 CFR Part 63, Subpart EEE. The amendments included adding hazardous waste solid fuel boilers, hazardous waste liquid fuel boilers and hazardous waste hydrochloric acid production furnaces to the list of source categories subject to this rule. EPA made additional, technical amendments to Subpart EEE on December 19, 2005. The Department is not aware of any facilities that are potentially subject to the NESHAP for hazardous waste combustors.

Any person may make written suggestions or comments on the proposed amendments on or before May 16, 2006. Written comments should be directed to Christine Paulson, Department

of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Urbandale, Iowa 50322; fax (515) 242-5094; or by electronic mail to [christine.paulson@dnr.state.ia.us](mailto:christine.paulson@dnr.state.ia.us).

A public hearing will be held on Friday, May 12, 2006, at 1 p.m. in the conference rooms at the Department's Air Quality Bureau located at 7900 Hickman Road, Urbandale, Iowa. Comments may be submitted orally or in writing at the public hearing. All comments must be received no later than May 16, 2006.

Any person who intends to attend the public hearing and has special requirements such as those related to hearing or mobility impairments should contact Christine Paulson at (515) 242-5154 to advise of any specific needs.

These amendments are intended to implement Iowa Code section 455B.133.

The following amendments are proposed.

ITEM 1. Amend paragraph 22.1(1)"b" as follows:

b. New or reconstructed major sources of hazardous air pollutants. No person shall construct or reconstruct a major source of hazardous air pollutants, as defined in 40 CFR 63.2 and 40 CFR 63.41 as amended through ~~April 5, 2002~~ April 22, 2004, unless a construction permit has been obtained from the department, which requires maximum achievable control technology for new sources to be applied. The permit shall be obtained prior to the initiation of construction or reconstruction of the major source.

ITEM 2. Amend subparagraph 22.1(2)"x"(5) as follows:

(5) Laundry activities, ~~not including dry cleaning and steam boilers.~~ located at a stationary source that use washers and dryers to clean or dry clothing, bedding, and other fabric

items used on site with water solutions of bleach or detergents. This exemption does not include laundry activities that use dry cleaning or steam boilers.

Item 3. Amend subrule 22.4(1) as follows:

**22.4(1)** Federal rules 40 CFR 52.21(a) (Plan Disapproval), 52.21(q) (Public Participation), 52.21(s) (Environmental Impact Statement), and 52.21(u) (Delegation of Authority) are not adopted by reference. Also, for the purposes of 40 CFR 52.21(l), the department adopts by reference Appendix W to 40 CFR 51, Guideline on Air Quality Models (Revised), as ~~adopted August 12, 1996~~ amended through November 9, 2005.

ITEM 4. Amend rule **567—22.100(455B)** by adopting the following new definition in alphabetical order:

"Area source" means any stationary source of hazardous air pollutants that is not a major source as defined in rule 567—22.100(455B).

ITEM 5. Amend rule **567—22.100(455B)**, definition of "hazardous air pollutant," to delete the air pollutant "methyl ethyl ketone," as follows:

"Hazardous air pollutant" means any of the following air pollutants listed in Section 112 of the Act:

cas #	chemical name
<del>78933</del>	<del>Methyl ethyl ketone</del>

ITEM 6. Amend subrule 22.101(1) as follows:

**22.101(1)** Except as provided in rule 22.102(455B), any person who owns or operates any of the following sources shall obtain a Title V operating permit:

- Any affected source subject to the provisions of Title IV of the Act;
- Any major source;

~~c. Any source subject to a standard or other requirement under 567—subrule 23.1(2) (standards of performance for new stationary sources), 567—subrule 23.1(5) (emission guidelines), unless the source is specifically exempted, or Section 111 of the Act; or 567—subrule 23.1(3) (emissions standards for hazardous air pollutants), 567—subrule 23.1(4) (emission standards for hazardous air pollutants for source categories) or Section 112 of the Act. A source is not required to obtain a permit solely because it is subject to the provisions of Section 112(r) of the Act. Any source required to obtain a Title V operating permit solely because of the requirement imposed by this paragraph, and which is not a major source, is required to obtain a Title V permit only for the emissions units and related equipment causing the source to be subject to the Title V program; Any source, including any nonmajor source, subject to a standard, limitation, or other requirement under Section 111 of the Act (567—subrule 23.1(2)—new source performance standards, 567—subrule 23.1(5)—emission guidelines);~~

~~d. Any solid waste incinerator unit required to obtain a Title V permit under Section 129(e) of the Act; Any source, including any area source, subject to a standard or other requirement under Section 112 of the Act (567—subrules 23.1(3) and 23.1(4) emission standards for hazardous air pollutants), except that a source is not required to obtain a Title V permit solely because it is subject to regulations or requirements under Section 112(r) of the Act;~~

~~e. Any source category designated by the administrator pursuant to 40 CFR 70.3 as amended through June 20, 1996. Any solid waste incinerator unit required to obtain a Title V permit under Section 129(e) of the Act;~~

~~f. Any source category designated by the Administrator pursuant to 40 CFR 70.3 as amended through December 19, 2005.~~

ITEM 7. Rescind subrule 22.101(2) and adopt the following **new** subrule in lieu thereof:

**22.101(2)** Any nonmajor source required to obtain a Title V operating permit pursuant to subrule 22.101(1), is required to obtain a Title V permit only for the emissions units and related equipment causing the source to be subject to the Title V program.

ITEM 8. Rescind subrule 22.101(3).

ITEM 9. Rescind rule **567—22.102(455B)** and adopt the following **new** rule in lieu thereof:

**567—22.102(455B) Source category exemptions.**

**22.102(1)** All sources listed in subrule 22.101(1) that are not major sources, affected sources subject to the provisions of Title IV of the Act, or solid waste incineration units required to obtain a permit pursuant to Section 129(e) of the Act, are exempt from the obligation to obtain a Title V permit until such time as the Administrator completes a rulemaking to determine how the program should be structured for nonmajor sources and the appropriateness of any permanent exemptions in addition to those provided for in subrule 22.102(3).

**22.102(2)** In the case of nonmajor sources subject to a standard or other requirement under either Section 111 or Section 112 of the Act after July 21, 1992 publication, the Administrator will determine whether to exempt any or all such applicable sources from the requirement to obtain a Title V permit at the time the new or amended standard is promulgated.

**22.102(3)** The following source categories are exempt from the obligation to obtain a Title V permit:

a. All sources and source categories that would be required to obtain a Title V permit solely because they are subject to 40 CFR 60, Subpart AAA--Standards of Performance for New Residential Wood Heaters, as amended through December 14, 2000;

b. All sources and source categories that would be required to obtain a Title V permit solely because they are subject to 40 CFR 61, Subpart M--National Emission Standard for Hazardous Air Pollutants for Asbestos, section 61.145, Standard for Demolition and Renovation, as amended through July 20, 2004;

c. All sources and source categories that would be required to obtain a Title V permit solely because they are subject to any of the following subparts from 40 CFR 63:

(1) Subpart M--National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities, as amended through December 19, 2005

(2) Subpart N--National Emission Standards for Chromium Emissions from Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks, as amended through December 19, 2005

(3) Subpart O--Ethylene Oxide Emissions Standards for Sterilization Facilities, as amended through December 19, 2005

(4) Subpart T--National Emission Standards for Halogenated Solvent Cleaning, as amended through December 19, 2005

(5) Subpart RRR--National Emission Standards for Hazardous Air Pollutants for Secondary Aluminum Production, as amended through December 19, 2005.

(6) Subpart VVV--National Emission Standards for Hazardous Air Pollutants: Publicly Owned Treatment Works, as amended through June 23, 2003.

ITEM 10. Amend subrule 22.105(2), introductory paragraph, third sentence, as follows;

**22.105(2)** Standard application form and required information. To apply for a Title V permit, applicants shall complete the standard permit application form available only from the department of natural resources, and supply all information required by the filing instructions found on that form. The information submitted must be sufficient to evaluate the source and its application and to determine all applicable requirements and to evaluate the fee amount required

by rule 22.106(455B). If a source is not a major source and is applying for a Title V operating permit solely because of a requirement imposed by paragraphs ~~22.101(1)"e,"~~ 22.101(2)"c" and "d," then the information provided in the operating permit application may cover only the emissions units that trigger Title V applicability.

ITEM 11. Amend subrule 23.1(2), introductory paragraph, as follows:

**23.1(2)** New source performance standards. The federal standards of performance for new stationary sources, as defined in 40 Code of Federal Regulations Part 60 as amended or corrected through ~~July 14, 2004~~February 27, 2006, are adopted by reference, except § 60.530 through § 60.539b (Part 60, Subpart AAA), and shall apply to the following affected facilities. The corresponding 40 CFR Part 60 subpart designation is in parentheses. Reference test methods (Appendix A), performance specifications (Appendix B), determination of emission rate change (Appendix C), quality assurance procedures (Appendix F) and the general provisions (Subpart A) of 40 CFR Part 60 also apply to the affected facilities.

ITEM 12. Amend subrule **23.1(2)** by adopting the following new paragraph "**www**":

**www.** Other solid waste incineration units (OSWI). Unless exempted, this standard applies to "other solid waste incineration units" (OSWI) for which construction is commenced after December 9, 2004, or for which modification or reconstruction is commenced on or after June 16, 2006. (Part 60, Subpart EEEE)

ITEM 13. Amend subrule 23.1(4), introductory paragraph, first sentence, as follows:

**23.1(4)** Emission standards for hazardous air pollutants for source categories. The federal standards for emissions of hazardous air pollutants for source categories, 40 Code of Federal Regulations Part 63 as amended or corrected through ~~January 10, 2005~~February 16, 2006, are adopted by reference, except those provisions which cannot be delegated to the states.

ITEM 14. Amend paragraph **23.1(4)"be"** as follows:

be. Emission standards for hazardous air pollutants from hazardous waste combustors. These standards apply to all hazardous waste combustors: hazardous waste incinerators, hazardous waste burning cement kilns, and hazardous waste burning lightweight aggregate kilns, hazardous waste solid fuel boilers, hazardous waste liquid fuel boilers, and hazardous waste hydrochloric acid production furnaces, except as specified in Subpart EEE. Both area sources and major sources are subject to this subpart as of April 19, 1996, and are subject to the requirement to apply for and obtain a Title V permit. (Part 63, Subpart EEE, as amended through December 19, 2005)

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Date

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Jeffrey R. Vonk, Director



## Administrative Rule Fiscal Impact Statement

Date: February 28,

2006

**Agency:** Department of Natural Resources

**IAC Citation:** 567 IAC 22.1(1)"b," 22.1(2)"x," 22.4(1), 22.100, 22.101(1), 22.101(2), 22.102, 22.105(2), 23.1(2), 23.1(4), and 23.1(4)"be."

**Agency Contact:** Anne Preziosi

- **Summary of the Rule:** The proposed rules: 1) Update the construction permit requirements for major sources of hazardous air pollutants with the most current amendment date for the cited federal regulation; 2) Clarify the construction permit exemption for laundry activities; 3) Amend Chapter 22 to adopt EPA's preferred air quality model – AERMOD, 4) Add the federal definition of "area source" to the Title V program definitions, 5) Delete the chemical "methyl ethyl ketone" from the list of hazardous air pollutants to reflect EPA's de-listing, 6) Amend Chapter 22 to clarify which sources are required to obtain Title V Permits, 7) Amend chapter 22 to add clarity to the requirements for nonmajor (area) sources to obtain a Title V Permit, 8) Remove the requirements for Title V exempt sources that elect to apply for a Title V permit, reflecting a federal rule change, 9) Amend the Title V rules in Chapter 22 to list source categories exempt from the requirement to obtain a Title V permit, reflecting EPA's action to permanently exempt these source categories, 10) Update a cross reference in the Title V rules, 11) Amend Chapter 23 to adopt by reference federal amendments to, and new standards for, 40 CFR Part 60, New Source Performance Standards (NSPS), 12) Amend Chapter 23 to adopt by reference federal amendments to 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAPS).

*Fill in this box if the impact meets these criteria:*

☒ No Fiscal Impact to the State.

☐ Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.

☐ Fiscal Impact cannot be determined.

Brief Explanation:

Rule changes will not affect expenditures or revenues to the state.

*Fill in the form below if the impact does not fit the criteria above:*

☐ Fiscal Impact of \$100,000 annually or \$500,000 over 5 years.

\* Fill in the rest of the Fiscal Impact Statement form.

***Assumptions:***

***Describe how estimates were derived:***

***Estimated Impact to the State by Fiscal Year***

	<u>Year 1 (FY ____)</u>	<u>Year 2 (FY ____)</u>
<b>Revenue by Each Source:</b>		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify)		
<b><i>TOTAL REVENUE</i></b>	_____	_____
<b>Expenditures:</b>		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify)		
	_____	_____

**TOTAL EXPENDITURES**

**NET IMPACT**

☒ This rule is required by State law or Federal mandate.

*Please identify the state or federal law:*

Clean Air Act sections 110, 111, 112, and 502(a), as codified in 40 Code of Federal Regulations, Parts 52, 60, 63, and 70.

☐ Funding has been provided for the rule change.

*Please identify the amount provided and the funding source:*

☒ Funding has not been provided for the rule.

*Please explain how the agency will pay for the rule change:*

The agency will not need additional revenue to implement this rule.

***Fiscal impact to persons affected by the rule:***

The proposed rule changes will primarily affect regulated parties (industry) with applicable air emissions or emission equipment. The rule changes will provide a better description and updated references to existing federal regulations. Adoption of these rules also will make the rules for Title V subject sources easier to read, understand and implement for both the department, industry, and the general public.

The most evident impact of this rulemaking will be incorporation of the federal amendments to new source performance standards (NSPS) and emission standards for hazardous air pollutants(NESHAP). Owners and operators of effected air emissions sources are subject to the federal requirements whether the state incorporates these federal requirements into the Iowa Administrative Code or not. Therefore, the incorporation by reference of the federal standards will not impose any additional costs to the effected sources.

There may also be a cost savings to regulated parties with some of the proposed changes. Federal rule amendments included a de-listing of one compound previously classified as a Hazardous Air Pollutant (HAP). Because this compound will no longer be regulated as HAP, certain industries may no longer require operating permits or emission control equipment.

***Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):***

No impact.

\* If additional explanation is needed, please attach extra pages.

Agency Representative preparing estimate: Christine Paulson  
Telephone Number: 515 242-5154